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THE COMMISSION'S ACTIVITIES AND IMPLEMENTATION OF PRIORITIES IN 1986

(Commission resolution 1(41))

Report by th Executive Secretary

CONTENTS

Summary

This report contains a review of highlights of the activities of the Commission since the forty-first session. Detailed information related to this report is provided in the reports of the Principal Subsidiary Bodies and in the following documents prepared for the forty-second session: Review of ECE Activities Pertaining to the Final Act of the Conference on Security and Co-operation in Europe (E/ECE/1134); Concentration and Integration of the Programme of Work of the Commission (E/ECE/1138); Programme of Work for 1986-1990 (E/ECE/1147); Economic Co-operation in the Mediterranean in the Light of the Final Act of the CSCE (E/ECE/1140); and Commission's Contribution to the United Nations Programmes designed to assist Developing Countries (E/ECE/1136).

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I. REVIEW OF PROGRAMME ACTIVITIES[1/]

A. SCIENCE AND TECHNOLOGY

(ECE/SC.TECH/31)

1. The Senior Advisers to ECE Governments on Science and Technology completed a review of changes in overall national science and technology policies (1980-1985) and decided to carry out the next review in 1988. They also held a policy debate on the role of forecasting in the formulation of science and technology policies and decided to consider the holding of a seminar on the subject.

2. Work continued on evaluation of R and D activities. The Senior Advisers convened an ad hoc Meeting on the Use Made of Evaluation in Policy-Making to be held in Helsinki (Finland) in June 1987. A Seminar on Evaluation in R and D Policies is envisaged for 1988 or 1989.

3. The draft of the science and technology contribution to the Overall Economic Perspective to the Year 2000 was reviewed by the Senior Advisers and a revised version will be considered at their fifteenth session.

4. A Seminar on the Importance of Technology Transfer in ECE Member Countries was held in Warsaw (Poland) in October 1986. The report of the Seminar as well as proposals concerning further work on mechanisms governing the transfer of technology and on the development of statistics on the transfer of technology will be considered by the Senior Advisers at their fifteenth session.

5. Following consultations with purchasers concerning the revision of the Manual on Licensing Procedures in Member Countries of the United Nations Economic Commission for Europe the Senior Advisers will consider, at their fifteenth session, the convening of an ad hoc meeting on this topic.

6. The Senior Advisers examined follow-up activities to the Symposium on the Importance of Biotechnology for Future Economic Development, held in Szeged (Hungary) in 1985. They decided to better define their work programme in the field of biotechnology at their next session and invited the Committee on Agricultural Problems to assume primary responsibility for convening an ad hoc Meeting on Food and Feed Production and Processing.

7. Preparations continued for the Symposium on the Status and Prospects of New and Renewable Sources of Energy in the ECE Region to be held in France in June 1987.

8. At their fourteenth session, the Senior Advisers considered a number of possible new areas of co-operation, including the impact of information technology on children; the role of fundamental research in accelerating scientific and technical progress; ways of encouraging contacts among young scientists; policies aimed at encouraging innovation; development, production and processing of new materials; prediction of large scale natural disasters. The topic of policies aimed at encouraging innovation was selected for a debate at the fifteenth session, at which other possible areas for co-operation will be discussed.

1/ Under each sub-heading in this section, the reference given is the report of the Principal Subsidiary Body concerned.

B. TRADE

(ECE/TRADE/157)

9. The Committee on the Development of Trade continued its consideration of means to reduce or remove obstacles to trade. An updated and consolidated version of the ECE inventory of obstacles of all kinds to the development of trade was examined by the Committee. Eight other ECE bodies were invited to devote attention to the notifications in the Inventory which fell within their spheres of activity.

10. Compensation trade in the ECE region was examined by the Committee which recommended that the Group of Experts on International Contract Practices in Industry prepare a guide on the "Legal aspects of the new forms of industrial co-operation: joint ventures; and joint development, production and co-ordinated marketing of products on the understanding that the guide will include an examination of compensation trade as one of its aspects". The Group of Experts agreed to implement this recommendation.

11. Prospects for expanded east-west industrial co-operation at the enterprise level were examined by the Committee. In view of heightened interest in the joint venture form of east-west industrial co-operation, the Committee invited the secretariat to prepare a study on the economic, financial and practical aspects of east-west joint ventures. The Committee also requested the secretariat to consult business operators who are interested in new forms of industrial co-operation, in order to identify what kind of economic and commercial information they consider relevant for the promotion of these new forms of co-operation.

12. Two meetings on the medium-term prospects for east-west trade were convened in 1986. The first, the Special Meeting of Experts on Prospects for East-West Trade in the 1980s, was held in March 1986. The second, the Symposium on East-West Business Opportunities and Trade Prospects, held in Thessaloniki (Greece) in September, brought together a large number of trade officials and businessmen to explore business prospects in the following sectors: energy and new material-saving techniques and pollution abatement technologies in industry; agro-industries and food processing industries; engineering industries; chemical and pharmaceutical industries.

13. The Working Party on Facilitation of International Trade Procedures reached agreement on a universal syntax for electronic transmission of trade data. It is estimated that this agreement will generate savings of hundreds of millions of dollars for commercial and industrial users.

14. The Group of Experts on International Contract Practices in Industry approved in December 1986 the text of the Guide on drawing up contracts for services relating to maintenance, repair and operation of industrial and other works.

C. ENVIRONMENT

(ECE/ENV/52)

15. The Senior Advisers to ECE Governments on Environmental Problems have continued work on drafting of the strategy for Environmental Protection and Rational Use of Natural Resources in ECE Member Countries covering the Period up to the Year 2000 and Beyond. A series of reports have been completed on experiences in the development and introduction of environmental impact assessment (EIA) policies and procedures, EIA in connection with transboundary issues, hazard analysis in EIA and application of EIA in specific sectoral activities.

16. The Executive Body for the Convention on Long-range Transboundary Air Pollution, at its fourth session held in November 1986, decided to broaden the mandate of the Working Group on Nitrogen Oxides entrusting it, in particular, to "elaborate a draft Protocol to the Convention concerning control of emissions of nitrogen oxides or their transboundary fluxes". The number of ratifications of Protocol on the Reduction of Sulphur Emissions or their Transboundary Fluxes by least 30 % is now 14 while that of the Protocol on Long-term Financing of the Co-operative Programme for Monitoring and Evaluation of the Long-range Transmiss of Air Pollutants in Europe (EMEP) has increased to 19. The EMEP network has be expanded and now includes 89 measuring stations in 24 countries.

17. New international co-operative programmes have been launched by the Execut Body on the assessment and monitoring of air pollution effects on forests; the effects on material, including historic and cultural monuments; and the assessm and monitoring of acidification of rivers and lakes. The results of the Confere on Acidification and its Policy Implications, organized by the Government of the Netherlands in co-operation with ECE in Amsterdam in May 1986, provided a perspective on matters of a scientific and technical dimension which has been useful to the Executive Body.

18. Work is continuing on the compilation of the Compendium on Low- and Non-wa Technology. Reports have been prepared on cost-effective evaluation of low-wast technology in food manufacturing and electroplating industries. Studies have be undertaken on recovery, recycling and re-utilization of industrial wastes and hazardous waste management.

19. At the Seminar on Protection of Flora, Fauna and their Habitats, held in Nurmes (Finland) in August 1986, agreement was reached on the main elements of Declaration on the Protection of Flora, Fauna and their Habitats in Europe and recommendations and suggestions made for follow-up activities.

D. PROJECTIONS AND PROGRAMMING

(ECE/EC.AD/28)

20. The Senior Economic Advisers to ECE Governments continued the preparation of the Overall Economic Perspective to the Year 2000 (OEP). The interim versio of the core document was completed and the synthesis Working Group examined the following topics: (i) updating and revision of the base-line scenario, (ii) improvement of the ECE system of SEM models and extension of the base-line scenario, (iii) preparation of alternative projections.

21. A synthesis report of the Seminar on the Evolution of Consumption Patterns and their Impact on Overall Economic Development, held in Helsinki (Finland) in September 1986, will constitute the consumption contribution to the OEP.

22. The joint ad hoc working groups on energy and on environmental protection and rational use of natural resources will meet in the first half of 1987. The full version of the OEP will be ready for discussion and approval in 1988 as scheduled.

E. ENERGY

(a) General Energy

23. In the field of energy programmes, policies and prospects, the secretariat prepared a study on "Medium-term energy policies, perspectives and co-operation in Europe and North America to 1990" (Economic Bulletin for Europe, Vol. 38/3). A paper on "Co-operation in the field of nuclear electricity generation with the United Nations Economic Commission for Europe" was prepared for the UN Conference for the Promotion of International Co-operation in the Peaceful Uses of Nuclear Energy to be held in March/April 1987.

24. In the field of energy demand and supply, a meeting of general rapporteurs was held and preparations continued for the Symposium on the Status and Prospects of New and Renewable Sources of Energy in the ECE Region to be held in Sofia Antipolis (France) in June 1987.

25. In the field of energy trade and co-operation, a paper on "Energy Efficient Technologies", submitted to the Symposium on East-West Business Opportunities and Trade Prospects (Thessaloniki, Greece, September 1986) reviewed actual and potential east-west trade in energy-efficient technologies.

26. With regard to energy conservation, preparations continued for the Symposium on the Long-term Impact of Energy Efficiency Improvements to be held in Budapest (Hungary) in April 1987. In the area of general energy statistics, the ECE Energy Data Bank was extended to cover 1984 and all ECE countries. An ad hoc Meeting on the Questionnaire on Selected Energy Issues (30 January 1987) reviewed forecast energy balances of member States for 1990 and 2000.

(b) Coal

(ECE/COAL/103)

27. The Coal Committee reviewed the coal situation in the ECE region in 1985 and its prospects and examined international coal trade prospects till 2000. The Committee rationalized its structure and work programme in particular by merging two subsidiary bodies to form a Working Party on Coal Trade and Statistics.

28. Seventeen studies in the fields of mining, conversion and utilization of coal were concluded in 1986. In conjunction with work on the Low-Calorific-Value Fuels Project, supported by UNDP funding, a Study Tour was organized in April 1986 in the Federal Republic of Germany to acquaint participants with environmentally-acceptable, efficient technologies for the combustion, liquefaction and gasification of brown coal and lignite. The findings of the Study Tour were published (ECE/UNDP/LCT/6).

29. Preparations began for the Symposium on Prevention and Suppression of Rock Bursts and Sudden Outbursts of Coal and Gas to be held in 1989, and the Symposiu on New Coal Utilization Technologies to be held in 1988.

(c) Electric Power

(ECE/EP/70)

30. The Committee on Electric Power concentrated on the rational use of electricity and electricity distribution outside the major urban areas, problems of planning and operating large power systems, electric power stations, and the relationship between electricity and the environment. Preparations began for th Seminar on Comparison of Models of Planning and Operating Electric Power Systems to be held in Moscow (USSR) in June 1987 and the Seminar on the Impact of Atmospheric Protection Measures on Thermal Power Stations to be held in Essen (Federal Republic of Germany) in September 1988. The Committee further expanded its work programme in the field of nuclear power.

(d) Gas

(ECE/GAS/89)

31. The Committee on Gas examined the current gas situation in the ECE region medium and long-term prospects for gas. In the light of the Symposium on the LP Situation in the ECE Region during 1985-2000 (Spain, 1985) new studies in the fi of liquefied petroleum gas (LPG) were initiated.

32. The Symposium on the Gas Industry and the Environment was held in the Fede Republic of Germany in October 1986 where a number of recommendations were adopt inter alia on co-operation with regard to the reduction of nitrogen oxide emissi and the improvement of measuring equipment.

33. Work progressed on the organization of the Symposium on Tendencies in the Development of the Gas Industry and Gas Markets in the ECE Region for the Period up to 2000, to be held in Warsaw (Poland) in May 1987. The Committee considered information and experience on the transport and storage of gas and on the use an distribution of gas. It reviewed the work on gas statistics in order to reduce the number of questionnaires, harmonize definitions and improve coverage.

F. INDUSTRY

(a) Steel

(ECE/STEEL/56)

34. The current strategies of steel industries in ECE member countries continu to be governed by the need to adapt production capacities to steel demand in ter of both quantity and quality. The Steel Committee has been studying the factors influencing the structure of steel production costs and improving forecasts of steel consumption, international steel trade data and information on economic aspects of new technologies on a world-wide basis. In this regard, attention is drawn to the following studies and publications:

- The study on structural changes in international steel trade is a retrospective analysis of changes in the flows of steel products on the world market which is designed to assist national steel industries in adapting production to current market demand. It is expected to be completed in 1987.
- The annual review of The Steel Market in 1985 (ECE/STEEL/53) provides information on the evolution of market conditions influencing the production of steel, steel products and raw materials in the various regions of the world in 1985 and the prospects for future years.
- The biennial study on iron and steel scrap (ECE/STEEL/52) analyses the most recent developments with respect to this economically volatile raw material.

35. The Seminar on the Requirements of Steel Industries in ECE Countries Developing from the Economic Point of View was held in Turkey in May 1986. Preparations continued for the Seminar on the Economic Aspects of Secondary Steelmaking, to be held at Dresden (German Democratic Republic) in June 1987 and for study tours in several steel producing countries: Brazil in 1987 and Czechoslovakia in 1988.

36. The Working Party on Steel Statistics carried on its work on the development of a co-ordinated system for the collection, processing and dissemination of comparable international statistical information relating to the steel industry.

(b) Chemical Industry

(ECE/CHEM/61)

37. The chemical industry is completing a year of substantial improvement in its operations. Although overall growth was below 1985 in many countries, supply and demand for most chemicals were in good balance. The best term to describe the industry's mood for 1987 is "cautious optimism". The industry in many countries is in a mature phase and thus more sensitive to cyclical business developments as well as pressures of costs, demand and increased competition. All these factors are expected to result in a more modest growth in traditional producer countries in the years to come.

38. The Chemical Industry Committee completed studies on recycling of used tyres and rubber waste, and on additives for thermoplastics. Work on a study on disposal and use of wastes from phosphoric acid and titanium dioxide was taken up in line with the Committee's concern with questions of protection of the environment.

39. The Committee's interest also centred on questions of conservation of raw materials and energy. Within this context, preparatory work on a study on membrane technology in the chemical industry will commence in the first half of 1987.

40. A Seminar on Biotechnology in the Chemical Industry was held in September 1986 at Varna (Bulgaria). In view of the great importance of biotechnology in many fields, including chemistry, preparatory work on guidelines on safety in biotechnology was initiated. Preparations are well under way for the Seminar on the Role of the Chemical Industry in Food Production to be held in June 1987 in Moscow (USSR).

(c) Engineering Industries and Automation

(ECE/ENG.AUT/28)

41. Under the auspices of the Working Party on Engineering Industries and Automation, a study entitled Digital Imaging in Health Care (ECE/ENG.AUT/25) was completed. This will be followed by a Seminar on Automation Means in Preventive Medicine '87. Preparations for this Seminar, to be held at Piestany (Czechoslovakia) in September/October 1987 are well under way.

42. Two more studies are almost completed, one on Software for Industrial Automation, to be published in May 1987, and another on The Telecommunication Industry: Growth and Structural Change, to be published in July 1987.

43. The eighth Meeting on Questions of Statistics concerning Engineering Industries and Automation, held in November 1986, inter alia, approved the Annual Review of Engineering Industries and Automation 1985, Vols I and II (ECE/ENG.AUT/26). Co-operation in the field of engineering statistics, in particular in harmonizing annual questionnaires, has continued between the ECE and OECD secretariats; possible participation in these activities has been announced by the UNIDO secretariat. The Bulletin of Statistics on World Trade in Engineering Products 1984 was also issued.

44. High priority is attached to industrial robotics and flexible manufacturing as well as to the study of developments in traditional fields, such as new emergin materials in engineering industries and agricultural and food-processing machinery including packaging techniques.

G. TRANSPORT

(ECE/TRANS/65)

45. Substantial progress has been made in the analysis of traffic flows between Scandinavia and southern Europe and between France and the Iberian Peninsula/ Maghreb with a view to applying an intermodal approach from a quantitative and qualitative point of view. Work has also begun on the analysis of traffic flows along the corridor of the Trans-European North-South Motorway (TEM). The Seminar on Transport Corridors held in Cracow (Poland) agreed upon a number of recommendations.

46. Studies have been undertaken concerning economic problems related to the interface between several modes of goods transport from an intermodal point of view, in particular the price and cost structure at the interface. A uniform method for gathering data concerning forecasts by each country has been considered

47. Eleven countries have signed the European Agreement on Main International Railway Lines (AGC). Recommendations concerning a system of important marshalling yards within the European railway network have been adopted. The standardization of summer time over a period of five years has been recommended by the Working Party on Rail Transport.

48. The European Code for Inland Waterways (CEVNI) has been published. Resolutions have been adopted concerning passenger vessels suitable for carrying disabled persons and the facilitation of waterborne tourism. Questions related to the harmonization of rules concerning the construction and the equipment of inland navigation vessels have been considered as well as new developments in inland water transport.

49. Work on the revision of the Customs Conventions on the temporary importation of private road vehicles (1954) and of commercial road vehicles (1956) will be completed in 1987. Several amendments to the TIR Convention 1975 have been adopted.

50. The Group of Experts on Transport Statistics considered, inter alia, the methodological development and improved harmonization and reconciliation of transport statistics in Europe, reviewed the Commodity Classification for Transport Statistics in Europe (CSTE) and carried out a trial run on the collection of combined transport statistics. Ways of improving the Annual Bulletin of Transport Statistics for Europe and the Statistics for Road Traffic Accidents in Europe were discussed.

51. Work began on the analysis of the 1985 census of Motor Traffic on Main International Traffic Arteries.

52. Work in the field of transport of dangerous goods continues to receive prominent attention. The Recommendations on the Transport of Dangerous Goods have been updated. Work on a revised glossary on explosives has been completed. Tests and criteria for organic peroxides have been added to the manual of tests and criteria. Revision of annexes A and B to the Agreement on transport of dangerous goods by inland waterways (ADN) is under way.

53. Phase III of the Trans-European North-South Motorway (TEM) project has been completed. Most of the construction standards are now well established and the work of Phase IV, with UNDP support, will concentrate on questions of financing and operation while developing the outreach activities of the project for the benefit of interested countries in other regions.

H. HUMAN SETTLEMENTS

(ECE/HBP/64)

54. The Committee on Housing, Building and Planning continued preparations for the International Year of Shelter for the Homeless (1987). Two studies on long-term perspectives for human settlements development in the ECE region were published.

55. A Seminar on Rent Policy, held in Amsterdam (Netherlands) in October 1986, agreed on recommendations concerning the adaptation of rent policy to current economic constraints and social developments. A Seminar on New Techniques to Collect and Process Land-use Data, held at Gävle and Stockholm (Sweden) in January 1987, discussed current trends and policies in this area of activity.

56. Reports were published on international harmonization of building regulations and on an area-based approach to urban renewal in the framework of an urban policy.

I. WATER

(ECE/WATER/47)

57. The Committee on Water Problems has continued work on a set of principles on co-operation in the field of transboundary waters. These principles are intended to provide guidance to Governments in defining their policies with regard to the management of shared water resources and to facilitate bilateral and multilateral negotiations on issues concerning the use and preservation of transboundary waters.

58. A Seminar on Water Management Systems was held in Bratislava (Czechoslovakia) in October 1986 addressing a wide range of topics related to the rational and optimum use of alternatives necessary for the resolution of often competing demands of users.

59. A revised version of draft guidelines on groundwater management was prepared for endorsement by the Committee. The recommendations elaborated by the Seminar on the Rational Use of Water in Industrial Processes, and revised by the Group of Experts on Aspects of Water Quality and Quantity, were adopted by the Committee.

60. As a follow-up to previous activities on groundwater management, the Committee has convened in 1987 a seminar on protection of soil and aquifers against non-point source pollution.

J. STATISTICS

(ECE/CES/28)

61. The Conference of European Statisticians discussed, inter alia, the use of statistics for the purpose of management at the governmental level, the problems raised by the integration of the various international statistical classifications and the organization of multi-purpose surveys.

62. The Conference convened a Seminar on the Role and Functions of Statistical Services in the Overall Information System of a Country, in Paris (France) in September 1986, which was attended by executive heads of national statistical offices. Two meetings for experts in the field of computers were convened — the Seminar on Integrated Statistical Information Systems and related matters (ISIS '86), in Bratislava (Czechoslovakia) in May 1986, and the Working Party on Electronic Data Processing in February 1987.

63. The activities in the field of economic statistics included, inter alia, the convening of the Joint ECE/ILO Seminar on Statistics of Consumer Prices in June 1986, and the publishing of a guide to international energy statistics (prepared jointly by the ECE secretariat, the IEA/OECD secretariat and the SCEC). In addition, the Conference included a new element in its programme of work, devoted to the development and harmonization of international transport statistics in selected fields. Work also continued on the development and harmonization of other types of economic statistics, including the European part of the International Comparison Project (ICP) and on agricultural statistics.

64. In the field of social and demographic statistics, work continued on the analysis of national practices in the 1980 round of population and housing censuses in the ECE region and the preparation of a draft set of recommendations for the 1990 round of censuses. Other activities included the publishing of an inventory of the main types of statistics and indicators relating to women for countries in the ECE region and the servicing of meetings on statistics of households and families, health statistics (convened jointly with the WHO), population and housing censuses and migration statistics.

65. Work also continued on the development and harmonization of environment statistics, focussing on the preparation of a draft experimental Compendium of ECE Environment Statistics. Work also continued in other fields of environment statistics, including a meeöing on general methodological problems in environment statistics held in Oslo (Norway) in May 1986.

66. Work continued on the Statistical Computing Programme (SCP), aiming at the joint development of statistical software. Further contacts were established with other regional commissions and with developing countries outside the region, in order to transfer SCP results to them. Phase II of the project, with continuing UNDP support, began in 1987 and will focus on adapting the project results to personal computers.

K. AGRICULTURE AND TIMBER

(a) Agriculture

(ECE/AGRI/92)

67. The Committee cn Agricultural Problems has been considering various topics which may assist the agricultural sector in the ECE region to make the adjustments required by economic, social, technological and environmental developments.

68. The Symposium on Recent Developments in Marketing and their Impact on the Standardization of Livestock Products, held in the Federal Republic of Germany in July 1986, reviewed the complex developments in consumer preferences and marketing practices in the industrialized countries, particularly regarding the various types of meat, thus providing the basis for future activities of the Working Party on Standardization of Perishable Produce in the field of commercial meat standards. This Working Party began to revise the European standards for fresh fruit and vegetables in order to adjust them to the modernized standard layout adopted in 1985.

69. The annual publications, notably the commodity market reports and the report on agricultural trade, were further streamlined in order to speed up their distribution.

70. The FAO/ECE Working Party on Mechanization of Agriculture and the FAO/ECE/CES Study Group on Food and Agricultural Statistics in Europe, were concerned with the adjustment to new requirements in their respective fields of work. Energy saving and potential new sources of energy in agriculture are receiving attention.

71. Technical reports were published on economic instruments for the rational use of water in irrigation and on genotype, keeping conditions, animal welfare and protection in intensive cattle holdings.

(b) Timber

(ECE/TIM/33)

72. The latest of the Timber Committee's outlook studies European Timber Trends and Prospects to the Year 2000 and Beyond was published in autumn 1986. Because of the long-term nature of forestry, these studies have been appreciated for providing an authoritative and objective international framework within which to develop long-term strategies for the forestry and forest industry sector.

73. The new study (ETTS IV) signals a shift from earlier expectations of markedly increasing reliance on external sources of supply of wood and wood products. With a slowing down in growth of consumption and continued expansion of forest production, the present equilibrium between supply and demand, and the resulting competitive market situation, seem likely to persist. This implies the need for European forestry and forest industries to improve further their productivity and profitability and to place more emphasis on market research and marketing. ETTS IV also examines the long-term outlook for the use of wood for energy and the provision and demand for products and services of the forest other than wood, including recreation and the environmental functions. The present inadequate data base makes it impossible to make forecasts of the long-term impact of forest damage on forest productivity and roundwood supply, but the study offers a number of hypothetical scenarios that could form the basis for further research in this regard.

74. The Joint FAO/ECE/ILO Committee on Forest Working Techniques and Training of Forest Workers met in June 1986 in the Netherlands, and reviewed forestry developments in the region over the past 30 years, the role played by the Joint Committee in this regard and the outlook for further improvements. It also reviewed the use of chemicals in forestry, viewed especially from the point of view of the safety and health of forest workers.

75. The Seminar on the Preparation and Implementation of Forest Management Plans was held in the Netherlands in May 1986. It provided forest managers and planners with examples of practical experience of the preparation, implementation, monitoring and control of forest management plans, including data collecting and processing aspects.

76. The Seminar on Methods and Equipment for the Prevention of Forest Fires was held in Spain in September 1986. Forest fires cause very extensive economic and ecological damage to the forests of south European countries and, in Europe, are almost all of human origin. Besides improved systems of silviculture, detection and rapid intervention, the Seminar showed the necessity for a better appreciation of the socio-economic conditions affecting the frequency of forest fires and for improved public information and education.

77. The focal point of the annual session of the Timber Committee was the in-depth discussion of the current situation and short-term outlook for forest products markets. The programme of work includes a joint meeting in October 1987 with the FAO European Forestry Commission, during which there will be, inter alia, a debate on the policy implications of the findings of ETTS IV.

L. ECONOMIC RESEARCH

78. The analytical research work of the secretariat was presented in the Economic Survey of Europe, in the Economic Bulletin for Europe, in documentation for the preparation of the Overall Economic Perspective to the Year 2000 (OEP) and in working papers in the population field. Studies are increasingly focused on three major problem areas, namely (i) the position and performance of European economies in a changing world environment, including intensity of trade and financial flows within ECE and with other regions; (ii) the effects of recent economic policies in the ECE region; and (iii) major factors and policies affecting east-west trade and co-operation.

79. In addition to the analysis of current economic policies and developments in the market economies of western Europe and North America, the Survey for 1985-1986 contained special research notes on (i) monetary policy in the larger market economies, (ii) the effects of energy price and real interest rate shocks on real output, (iii) alternative measures of productivity growth in manufacturing industry, and (iv) early retirement schemes and unemployment.

80. Research on the centrally planned economies includes medium-term developments and prospects and the assessment of the implementation of the annual and five-year plans. Special attention has been paid to the changing pace of economic activity in 1983-1985 and also to a preliminary assessment of the development strategies for the period 1986-1990. The following long-run issues have been analysed: changes in the external and domestic use of output growth in 1970-1984; productivity trends, including total factor productivity in industry in 1970-1983; and changes in relative prices in 1970-1984.

81. The chapter on external developments in the Economic Survey of Europe in 1985-1986 includes an extensive analysis of the eastern current account position, which narrowed in 1985, and of the underlying changes in east-west trade. The Survey analyses recent developments, provides a short-term outlook of world trade and payments, and gives a more detailed review of changes in the external sectors of the market and centrally planned economies. A special study reviews developments in the investment goods trade of eastern Europe and the Soviet Union, 1975-1983.

82. The Economic Bulletin for Europe, Vol. 38, No.4, provides a review of short-term foreign trade developments in the region. One chapter is devoted to the evolution of east-west economic relationships, with the detailed presentations of ECE estimates of the development of trade value and volume, changes in the commodity structure of trade, and intra-regional current-account and financial flows. This issue of the Bulletin also contains a special study which reviews major changes in eastern imports of machinery and equipment over the period 1960-1985. Trade relations between east and west in this field are placed in a historical context, and their impact on growth policies and technological change are examined.

83. In the field of population, work continued on two projects carried out with the financial support of the United Nations Fund for Population Activities (UNFPA). These deal with the economic impact and related aspects of the aging of populations in the region, and with the inter-relations between population and socio-economic development in southern Europe. A Regional Meeting on Population and Development will be held in Budapest (Hungary) in February 1987, in collaboration with the UNFPA. The Informal Working Group of the aging project met in April 1986 in Budapest (Hungary). The Informal Working Group for the south European project met in Belgrade (Yugoslavia) in October 1986. Some of the studies carried out served as a basis for the labour market analysis in the Economic Survey of Europe.

II. ECE ACTIVITIES RELEVANT TO THE CONCLUDING DOCUMENT OF THE 1980 MADRID MEETING OF REPRESENTATIVES OF THE PARTICIPATING STATES OF THE CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE (CSCE)

Obstacles of all kinds to the development of trade

84. The Committee on the Development of Trade continued to devote particular attention to this subject. An Inventory of obstacles of all kinds to the development of trade was consolidated and updated by the secretariat. At the end of 1986, the Inventory contained 374 notifications, of which 85% were covered by replies. Member countries, other ECE Principal Subsidiary Bodies and relevant international organizations were requested to continue their examination of the notifications in the Inventory and to advise the secretariat of the results of that examination.

Marketing and Business Contacts

85. Seminars on East-West Trade Promotion, Marketing and Business Contacts have been held. A Symposium on East-West Business Opportunities and Trade Prospects was held in Thessaloniki (Greece) in September 1986. The Group of Experts on International Contract Practices in Industry finalized a Guide on drawing up international contracts for services relating to maintenance, repair and operation of industrial and other works.

Publication and dissemination of economic and commercial information

86. Documents published in this field include the Economic Survey of Europe, the Economic Bulletin for Europe, statistical bulletins, special studies, and profiles of the development of the east-west trade of individual member countries.

Multilateral system of notification of laws and regulations concerning foreign trade and changes therein (MUNOSYST)

87. The secretariat held consultations with the business community regarding the relevance of the MUNOSYST project for trade activities and its commercial viability. In view of the limited number of replies to the questionnaire on the subject, it was decided that consultations should be continued and a decision on the future of the project be taken at the thirty-sixth session of the Committee on the Development of Trade.

Compensation transactions

89. The Committee on the Development of Trade considered problems of compensation transactions in all their forms, including problems in both long-term and short-term operations. A report on the financing of large-scale compensation projects in east-west trade since 1970: mechanism, patterns and trends (TRADE/R.484) and an analytical study of short-term commercial compensation in the ECE region (TRADE/R.499 and Add.1) were prepared. The Group of Experts on International Contract Practices in Industry will prepare a guide on legal aspects of the new forms of industrial co-operation which will include an examination of compensation trade as one of its aspects.

Industrial co-operation

90. The Committee on the Development of Trade continued to review recent and prospective trends and policies affecting industrial co-operation. A special Meeting of Experts on Industrial Co-operation was held in 1985, and in 1986 the Committee considered a Note by the secretariat on emerging prospects of East-West industrial co-operation (TRADE/R.516).

Small and medium-sized enterprises in trade and industrial co-operation

91. The Committee on the Development of Trade, in 1983, considered problems of the participation of small and medium-sized enterprises in intraregional trade. No further action was taken by the Committee on this subject.

Standardization

92. The Meetings of Government Officials Responsible for Standardization Policies continued to work towards mutual recognition of certification systems and tests. The Ninth Meeting, held in May 1986, adopted seven recommendations on the mutual recognition of test results and decided to include a new work area on metrology in its programme of work.

Arbitration

93. The European Convention on International Commercial Arbitration, which was prepared by ECE and entered into force in 1964, establishes, inter alia, a mechanism whereby arbitration may be organized in cases where one of the parties who has agreed to submit a dispute to an ad hoc arbitration fails to appoint its arbitrator, or where an ad hoc arbitration agreement contains no indication regarding the organization of the arbitration. The most recent case was brought to the attention of the Executive Secretary in 1983. In addition, optional ECE arbitration rules exist which may be used by parties to international commercial transactions and referred to in contracts.

Energy

94. Relevant developments in the field of energy included: the Economic Bulletin for Europe Vol. 38. No.4, on "Medium-term Energy Policies, Perspectives and Co-operation in Europe and North America to 1990"; the annual surveys of the coal, gas and electric power situations; the updating of the ECE Energy Data Bank to 1984; and the review of projected national energy balances for 1990 and 2000 at the ad hoc Meeting on the Questionnaire on Selected Energy Issues held in January 1987.

95. Projects of common interest in the energy field included: activities of the Committee on Electric Power pertaining to interconnection; and the ECE/UNDP Inter-Country Project on International Co-operative Research on Low-Calorie-Value Solid Fuel Technology.

Science and Technology

96. The following projects in the programme of work of the Senior Advisers on Science and Technology are considered particularly pertinent to the provisions of the Final Act: Review of agreements on scientific and technological co-operation; Manual on Licensing Procedures; Measures to facilitate the transfer of technology; Biotechnology and economic development; Trends in the use of non-renewable materials in industry; and New energy sources.

Environment

97. The Convention on Long-range Transboundary Air Pollution has been ratified by 30 countries and the EEC. A Protocol calling for the reduction of sulphur emissions or their transboundary fluxes by at least 30% was signed by 21 countries and ratified by 13 countries. Work was initiated on the elaboration of a Protocol on the control of emissions of nitrogen oxides or their transboundary fluxes. Activities on air pollution monitoring, emission control technologies, assessment of the effects of air pollution on the environment and cost-benefit analysis were carried out. Recommendations contained in the Declaration on Low- and Non-waste Technology and Re-utilization and Recycling of Wastes continue to guide the development of the Compendium on Low- and Non-waste Technology. A Seminar on the Comprehensive Protection of Flora, Fauna and their Habitats was organized and elaborated, inter alia, the main elements for a Declaration on this subject in the European region. The Committee on Water Problems is currently elaborating a set of principles on the subject of Co-operation in the Field of Transboundary Water.

Agriculture

98. The secretariat prepares annual European market reviews on agricultural trade, livestock and meat, milk and dairy products, cereals and, every other year, also eggs. This work, as well as the work of the Study Group on Food and Agricultural Statistics, represents a contribution to the comparability, comprehensiveness and clarity of economic and commercial statistics. The work on standardization of perishable foodstuffs represents a contribution to trade facilitation. Technical reports on selected subjects and the work of the Working Party on Mechanization of Agriculture represent a contribution to scientific co-operation.

Statistics

99. The Conference of European Statisticians has been concerned with the revision and harmonization of economic classifications and the development of the UN System of National Accounts and its linking with the CMEA System of Balances of the National Economy. The European Comparison Programme of the International Comparison Project (ICP) is devoted to the promotion of international comparisons of main economic aggregates among different countries of the region, including comparisons between countries with different economic and social systems. In addition, the draft ECE compendium of environment statistics and the draft ECE recommendations for the 1990 round of population and housing censuses will also be of considerable relevance to all countries in the region.

Symposium on Management Training for Administrations and Enterprises

100. Preparations for the Symposium on Management Training Programmes and Methods: Implications of New Technologies, to be held from 17-19 November 1987, are proceeding on schedule. (See also document E/ECE/1146)

Co-operation with developing countries

101. The Commission has requested its subsidiary bodies to take into account the possible ECE contribution to United Nations programmes designed to assist developing countries. The ECE is engaged in a wide variety of activities of interest to the developing countries. (See also E/ECE/1136).

Co-operation in the Mediterranean

102. Specific projects are under way in ECE with respect to economic co-operation in the Mediterranean region. (See also E/ECE/1140). Of particular interest are studies on the construction of a fixed link through the Strait of Gibraltar; further study of the Status of the Programme of Work of the Mediterranean Transport Centres; an advisory mission by the ECE secretariat for a trade facilitation programme which was initiated in Morocco in 1986; a Seminar on the Requirements of Steel Industries in ECE Countries Developing from the Economic Point of View (Izmir, Turkey); and a Seminar on Methods and Equipment for the Prevention of Forest Fires (Valencia, Spain).